



**Canyon Fuel
Company, LLC**

A Subsidiary of Arch Western Bituminous Group, LLC

CL041/002 Incoming

K

Sufco Mine

Kenneth E. May
General Manager
597 South SR24
Salina, Utah 84654
(435) 286-4400
Fax (435) 286-4499

April 21, 2011

Mr. Roger L. Bankert
Bureau of Land Management
P.O. Box 45155
Salt Lake City, UT 84145-0155

Re: First revision to the update of recoverable reserves on all current federal lease holdings and minor modification for Leases U-63214, U-47080 and SL-062583 to the Sufco R2P2.

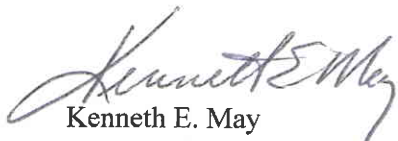
Dear Mr. Bankert:

Upon being informed by your department that Sufco was showing a portion of the mine plan off lease, the projected mine plan has been revised in the 6 North area. The appropriate revised maps and tonnage chart are included.

Sufco inadvertently provided our forward looking best recovery case plans. These plans included recovery on anticipated lease modifications and lease acquisitions. A revision (shortening) of the 6 North longwall panels to stay with the current lease boundary has been completed. Maps and a tonnage chart reflecting these changes have been prepared. There was a reduction of 2,159,032 remaining tons on lease U-63214.

If you have questions or requests, please contact John Black (286-4426), John Byars (286-4420), or myself.

Sincerely,
CANYON FUEL COMPANY
SUFco Mine


Kenneth E. May
General Manager

KEM/JB:kb
Encl.
cc: Price Field Office

File in:

☐ Confidential

☐ Shelf

☒ Expandable

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SUFco LEASE HOLDINGS RECOVERABLE TONS UPDATE - Revision 1

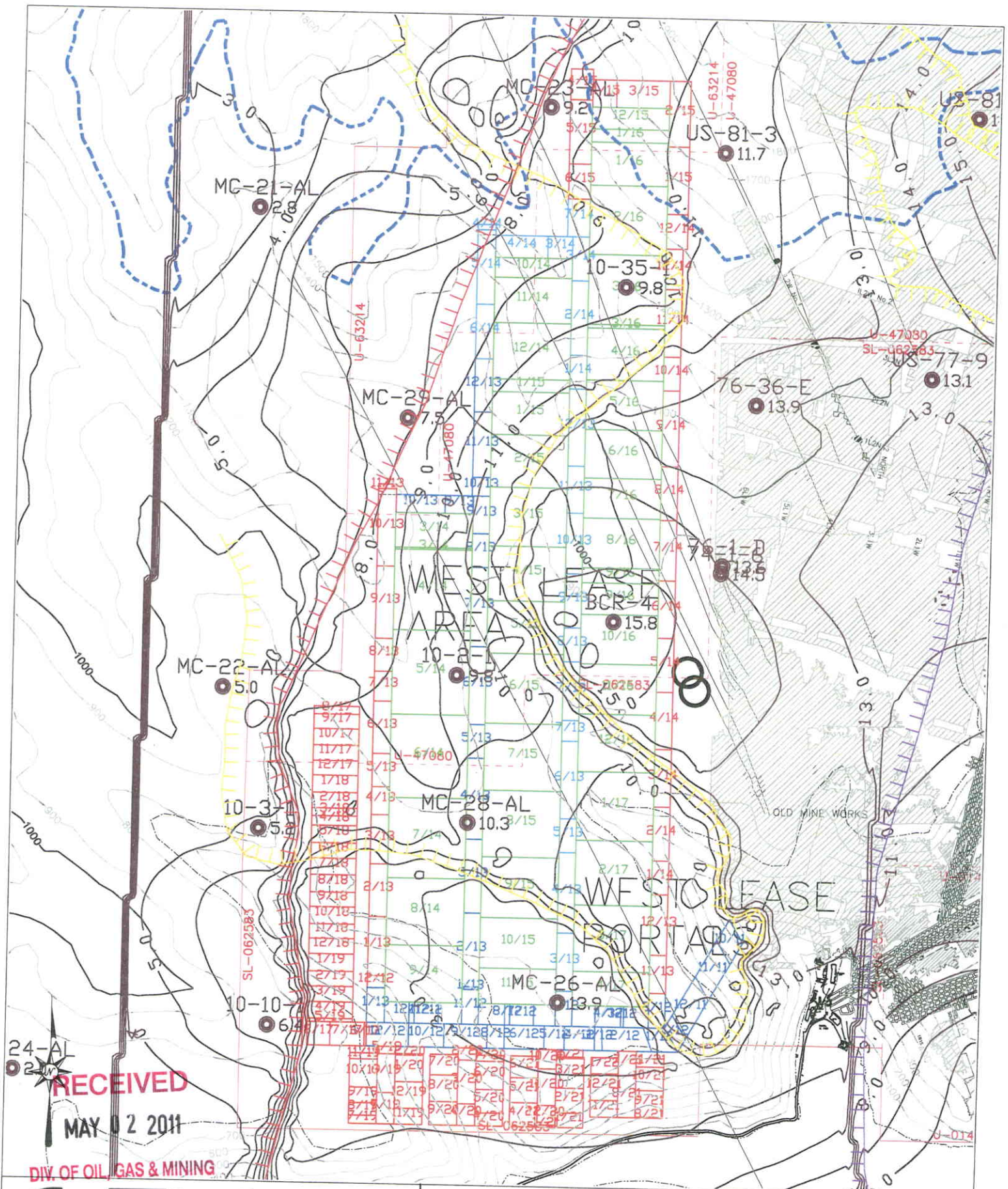
Seam / Lease	Date of R2P2	R2P2 TONS	Date of Reserve Tons	Recoverable Tons		Total
				Mined	Remaining	
Upper Hiawatha SL-062583 BLM Update - 1/16/07 *Lease Mod. 12/09 Sufco Mine Plan	Apr-1983 Mar-1990 Oct 27, 2004 Mar-2011	9,427,000 5,600,000 10,080,000 18,123,000	Jan 01, 2011	16,786,781	8,121,525	24,908,306
U-062453 BLM Update Sufco Mine Plan	Apr-1983 Mar-1990 Oct 27, 2004	4,316,000 2,400,000 3,820,000	Jan 01, 2011	1,932,294	1,238,207	3,170,501
U-0149084 BLM Update - 1/16/07 Sufco Mine Plan	Apr-1983 Mar-1990 Oct 27, 2004	180,000 0 0	Jan 01, 2011	1,017,786	0	1,017,786
U-28297 BLM Update - 1/16/07 Sufco Mine Plan	Apr-1983 Mar-1990 Oct 27, 2004	9,178,000 1,300,000 9,250,000	Jan 01, 2011	8,165,954	34,768	8,200,722
U-47080 BLM Update - 1/16/07 *Lease Mod. 12/09 Sufco Mine Plan	Apr-1983 Mar-1990 Oct 27, 2004 Mar-2011	14,656,000 9,300,000 12,140,000 21,655,000	Jan 01, 2011	5,572,289	14,579,959	20,152,248
FEE LAND BLM Update - 1/16/07 Sufco Mine Plan	Apr-1983 Mar-1990 Oct 27, 2004	6,004,000 3,600,000 3,600,000	Jan 01, 2011	3,792,212	798,978	4,591,190
U-63214 -Lease Mod. 6/99 BLM Update - 1/16/07 *Lease Mod. 12/09 ** UTU-77161 Sufco Mine Plan	Sep-1989 Mar-1990 Mar-2000 Oct 27, 2004 Mar-2011	73,089,000 76,300,000 1,800,000 78,280,000 79,072,000	Jan 01, 2000 Jan 01, 2011	83,648 61,337,040	23,771,236	83,648 85,108,276
UTU-76195 -Last Minor Mod. BLM Update - 1/16/07 ** UTU-77971 Sufco Mine Plan	Mar-2000 Nov 17, 2006 Dec 01, 2006	51,800,000 40,200,000 40,200,000	Jan 01, 2001 Jan 01, 2011	177,688 40,234,721	1,443,935	177,688 41,678,656
Totals		175,720,000		139,100,413	49,988,608	189,089,021
Lower Hiawatha U-63214 BLM Update - 1/16/07 Sufco Mine Plan	Sep-1989 Mar-1990 Oct 27, 2004	12,526,000 14,100,000 14,100,000	Jan 01, 2010	0	1,832,261	1,832,261
Totals		14,100,000		0	1,832,261	1,832,261

Notes:

* Tons shown here are from the R2P2 minor modification included with this report for lease additions.
tons from R2P2 minor modification are added to the latest R2P2 tons.

** Temporary Right of Way's until lease or lease modification process was finalized.

BLM Update - 1/16/2007 for Lease U-63214 total tons = 92,380,000 (Upper Hiawatha = 78,280,000 and Lower Hiawatha = 14,100,000)



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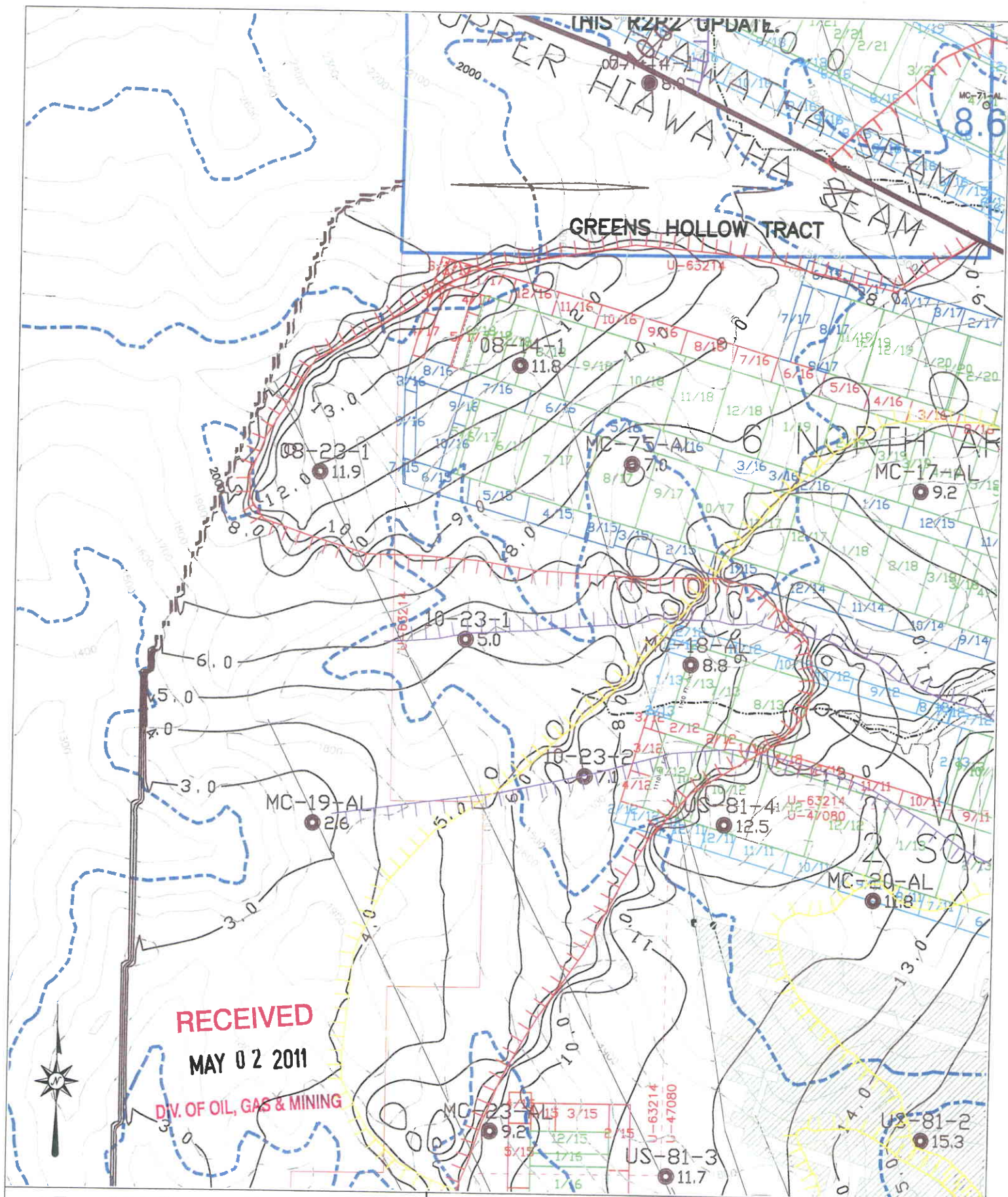
SUFCO MINE PLAN

AREA 1 - WEST LEASE MOD's

SCALE: 1" = 1800'	DATE: 04/21/11	DRAWN BY: JMB
ENGINEER: JMB	CHECKED BY: JDB	
FILE NAME: H:\Mine plans\2011\MineLife11\BLM\SufMineLife11BLM.dwg		

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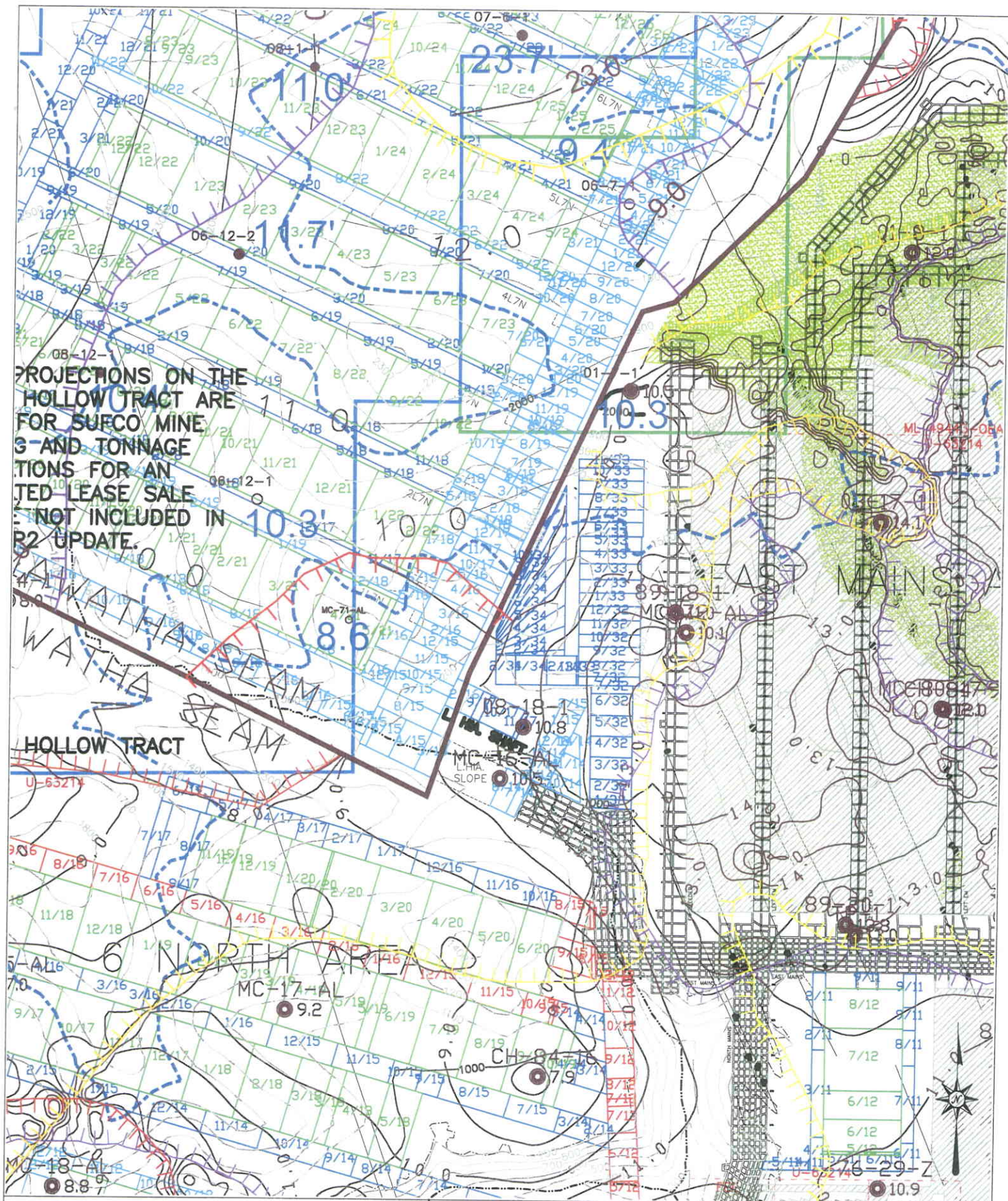
SUFCO MINE PLAN

AREA 2 & AREA 3 - WEST

SCALE: 1" = 1800'	DATE: 04/21/11	DRAWN BY: JMB
ENGINEER: JMB	CHECKED BY: JDB	REVISION 1
FILE NAME: H:\Mine plans\2011\MineLife11\BLM\SufMineLife11BLM.dwg		

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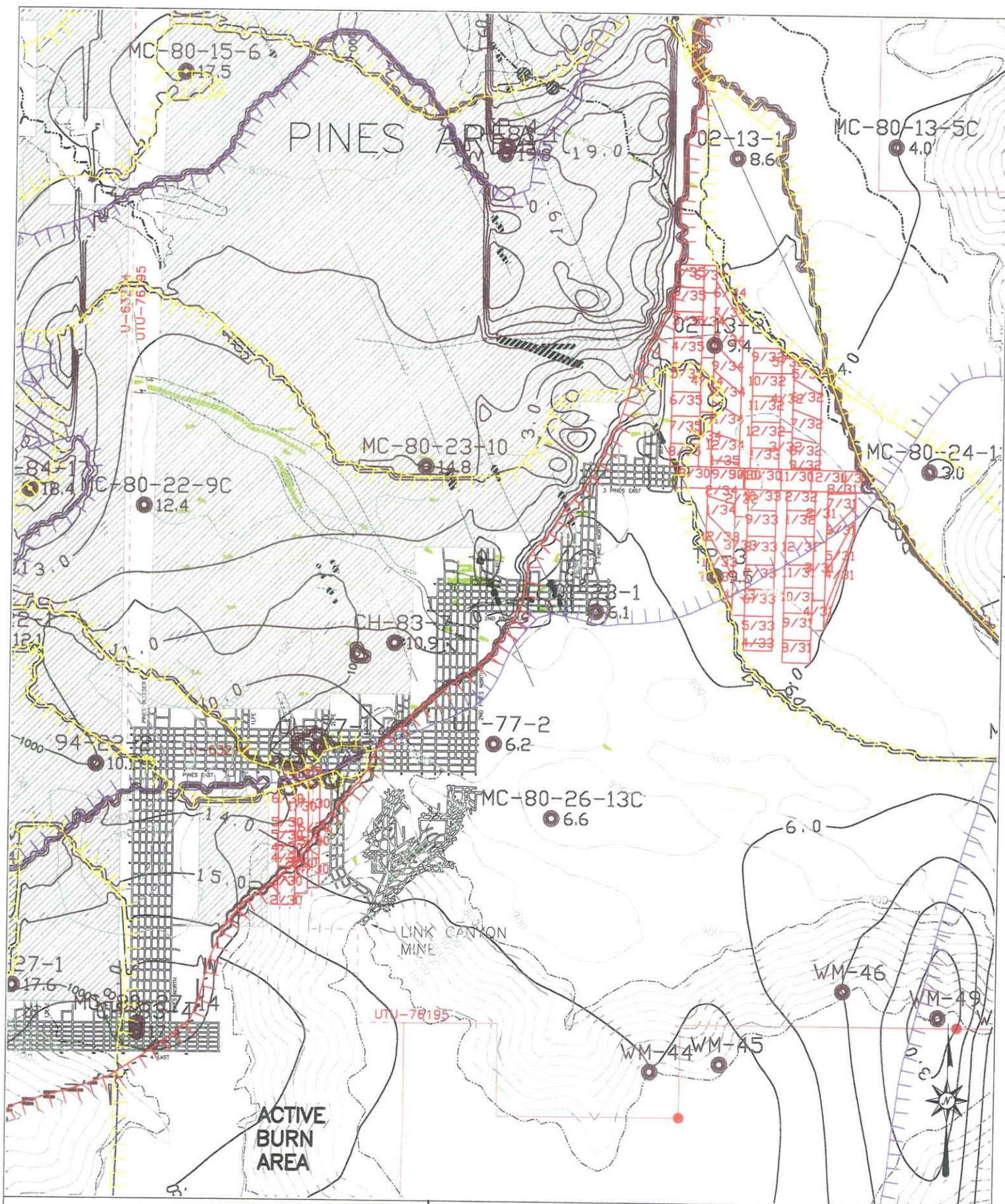


SUFCO MINE PLAN
AREA 4 - NORTH

SCALE: 1" = 1800'	DATE: 04/21/11	DRAWN BY: JMB
ENGINEER: JMB	CHECKED BY: JDB	REVISION 1
FILE NAME: H:\Mine plans\2011\MineLife11\BLM\SufMineLife11BLM.dwg		

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SUFCO MINE PLAN

AREA 5 & AREA 6 - EAST

SCALE: 1" = 1800'

DATE: 04/21/11

DRAWN BY: JMB

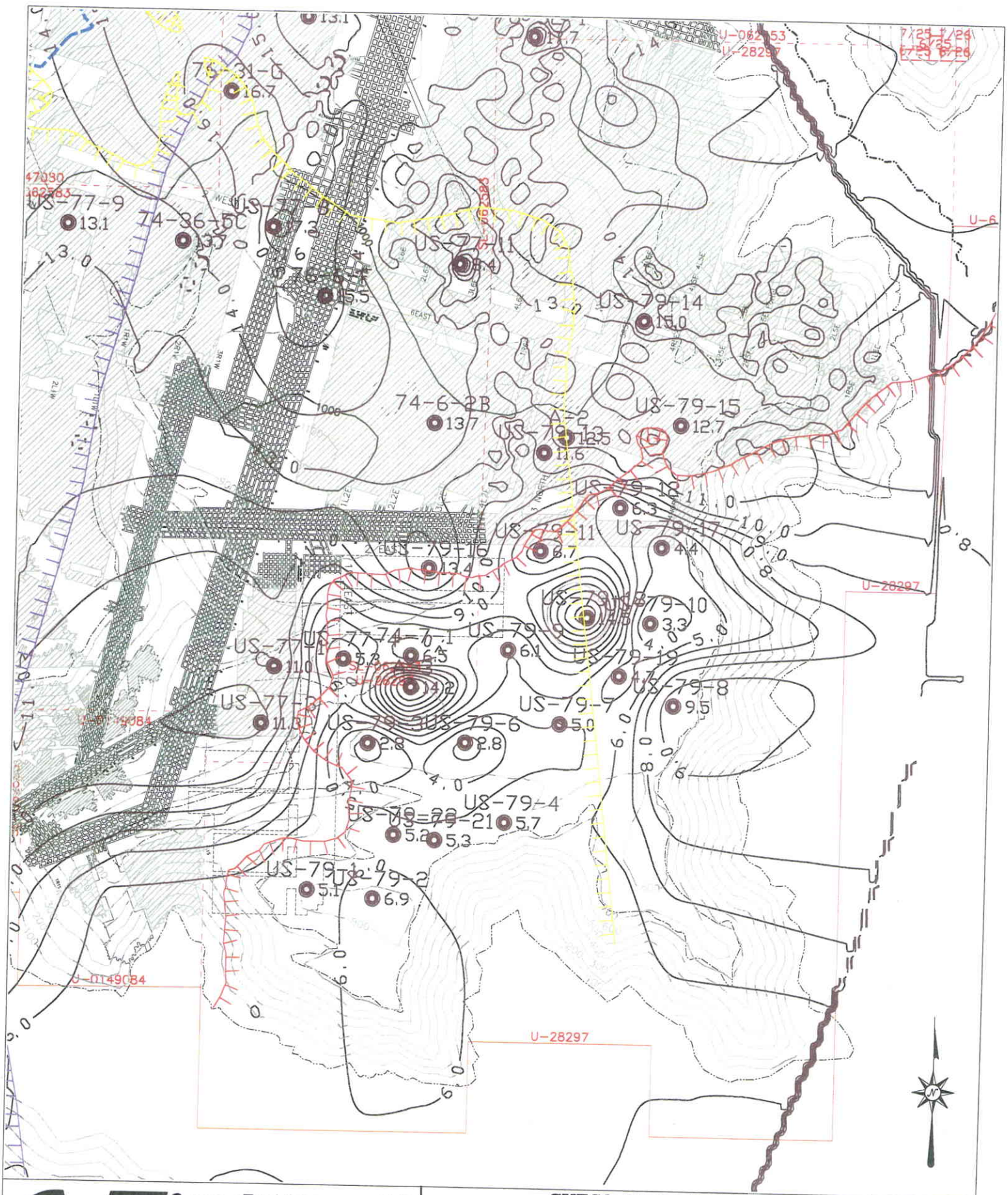
ENGINEER: JMB

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SUFCO Mine

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SUFCO MINE PLAN			SHEET NO. 6
AREA 7 - SOUTH			
SCALE: 1" = 1800'	DATE: 04/21/11	DRAWN BY: JMB	
ENGINEER: JMB	CHECKED BY: JDB		
FILE NAME: H:\Mine plans\2011\MineLife11\BLM\SufMineLife11BLM.dwg			

PROPERTY REPORT (COMPLETE SUMMARY)

Updated 01/01/11 - TonsByLeaseBudget11.pr
CM's: 8-10 hr, 2-13hr prod., 5-8 hr prep.88'/shift
LW: 8-10hr, 1-13 hr prod. 5-8 hr prep. 13500 tons/shift
SufMineLife11BLM-1110Face

DATE : Thu Apr 21 13:24:44 2011

NOTES :

All data is obtained from ICAMPS mining simulation software within AutoCad.

Area ; Is a defined mining region.

Property ; The portion of a mining Area being mined through a defined time frame within a given lease boundary.

AREA-TYPE/ NAME DATE	RAW TONS PROPERTY	CLEAN TONS PROPERTY	AREA SQ. FT. PROPERTY
PROPERTY: U-63214			
2011 SUMMARY - All Areas Mined	1,995,665	1,995,665	3,891,545
2012 SUMMARY - All Areas Mined	4,766,086	4,754,937	10,089,280
2013 SUMMARY - All Areas Mined	1,478,841	1,471,607	3,378,247
2014 SUMMARY - All Areas Mined	750,617	747,274	1,911,469
2015 SUMMARY - All Areas Mined	926,126	910,644	2,395,669
2016 SUMMARY - All Areas Mined	933,847	916,835	2,392,894
2017 SUMMARY - All Areas Mined	2,858,820	2,629,418	7,036,078
2018 SUMMARY - All Areas Mined	3,705,161	3,625,169	8,878,298
2019 SUMMARY - All Areas Mined	3,435,716	3,227,321	8,640,275
2020 SUMMARY - All Areas Mined	1,759,541	1,597,421	4,435,720
2021 SUMMARY - All Areas Mined	227,768	219,264	574,846
2022 SUMMARY - All Areas Mined	939,385	939,385	2,192,414
2026 SUMMARY - All Areas Mined	75,200	75,200	190,088
2027 SUMMARY - All Areas Mined	222,882	222,882	563,397
2028 SUMMARY - All Areas Mined	309,275	309,275	781,780
2029 SUMMARY - All Areas Mined	294,806	294,806	745,212
2030 SUMMARY - All Areas Mined	135,972	127,297	347,394
2032 SUMMARY - All Areas Mined	279,108	279,108	705,529
2033 SUMMARY - All Areas Mined	283,907	283,874	718,247
2034 SUMMARY - All Areas Mined	224,775	224,761	572,637
Total SUMMARY - All Years Mined	25,603,497	24,852,141	60,441,019
	-1,832,261 (Lower Hiawatha tons)		
	23,771,236		
PROPERTY: U-47080			
2011 SUMMARY - All Areas Mined	370,012	370,012	935,318
2012 SUMMARY - All Areas Mined	838,078	837,683	1,819,749
2013 SUMMARY - All Areas Mined	3,989,478	3,989,091	7,951,145
2014 SUMMARY - All Areas Mined	2,726,926	2,723,916	6,633,985
2015 SUMMARY - All Areas Mined	2,586,956	2,586,956	5,597,928

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AREA-TYPE/ NAME DATE	RAW TONS PROPERTY	CLEAN TONS PROPERTY	AREA SQ. FT. PROPERTY
2016 SUMMARY - All Areas Mined	3,985,327	3,984,899	8,389,658
2017 SUMMARY - All Areas Mined	83,181	83,181	210,918
Total SUMMARY - All Years Mined	14,579,959	14,575,739	31,538,701

PROPERTY: Fee

2011 SUMMARY - All Areas Mined	16,706	16,706	42,228
2012 SUMMARY - All Areas Mined	40,672	40,672	102,811
2013 SUMMARY - All Areas Mined	35,360	35,360	66,040
2014 SUMMARY - All Areas Mined	562,292	562,292	1,057,420
2022 SUMMARY - All Areas Mined	123,921	123,921	313,245
2023 SUMMARY - All Areas Mined	20,028	20,028	50,625
Total SUMMARY - All Years Mined	798,978	798,978	1,632,369

PROPERTY: ModU-63214

2012 SUMMARY - All Areas Mined	41,472	40,277	108,485
2013 SUMMARY - All Areas Mined	32,031	31,746	83,941
2014 SUMMARY - All Areas Mined	315,876	312,604	808,349
2015 SUMMARY - All Areas Mined	263,630	263,630	646,989
2016 SUMMARY - All Areas Mined	139,322	139,322	331,637
Total SUMMARY - All Years Mined	792,330	787,578	1,979,402

PROPERTY: ModU-47080

2013 SUMMARY - All Areas Mined	415,958	415,571	1,062,027
2014 SUMMARY - All Areas Mined	2,442,968	2,439,958	6,101,823
2015 SUMMARY - All Areas Mined	2,586,982	2,586,982	5,597,991
2016 SUMMARY - All Areas Mined	3,985,327	3,984,899	8,389,658
2017 SUMMARY - All Areas Mined	83,281	83,281	211,171
Total SUMMARY - All Years Mined	9,514,517	9,510,692	21,362,671

PROPERTY: ModSL-062583

2011 SUMMARY - All Areas Mined	29,081	29,081	74,879
2012 SUMMARY - All Areas Mined	297,391	297,391	751,846
2013 SUMMARY - All Areas Mined	378,460	378,460	956,782
2014 SUMMARY - All Areas Mined	1,841,236	1,841,236	4,046,059
2015 SUMMARY - All Areas Mined	2,063,728	2,063,728	4,544,360
2016 SUMMARY - All Areas Mined	741,426	741,426	1,522,782
2017 SUMMARY - All Areas Mined	1,657,209	1,657,209	3,901,277
2018 SUMMARY - All Areas Mined	263,804	263,804	667,850
2019 SUMMARY - All Areas Mined	249,226	249,226	629,994
2020 SUMMARY - All Areas Mined	243,821	243,821	616,330
2021 SUMMARY - All Areas Mined	262,580	262,580	663,750
2022 SUMMARY - All Areas Mined	14,778	14,778	37,356
Total SUMMARY - All Years Mined	8,042,740	8,042,740	18,413,263

PROPERTY: SL-062583

2011 SUMMARY - All Areas Mined	74,422	74,422	191,225
2012 SUMMARY - All Areas Mined	297,391	297,391	751,846
2013 SUMMARY - All Areas Mined	378,460	378,460	956,782
2014 SUMMARY - All Areas Mined	1,841,236	1,841,236	4,046,059
2015 SUMMARY - All Areas Mined	2,063,728	2,063,728	4,544,360

AREA-TYPE/ NAME DATE	RAW TONS PROPERTY	CLEAN TONS PROPERTY	AREA SQ. FT. PROPERTY
2016 SUMMARY - All Areas Mined	741,426	741,426	1,522,782
2017 SUMMARY - All Areas Mined	1,657,209	1,657,209	3,901,277
2018 SUMMARY - All Areas Mined	263,804	263,804	667,850
2019 SUMMARY - All Areas Mined	249,226	249,226	629,994
2020 SUMMARY - All Areas Mined	243,821	243,821	616,330
2021 SUMMARY - All Areas Mined	262,580	262,580	663,750
2022 SUMMARY - All Areas Mined	48,222	48,222	121,896
Total SUMMARY - All Years Mined	8,121,525	8,121,525	18,614,149

PROPERTY: U-0149084

Total SUMMARY - All Years Mined	0	0	0
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PROPERTY: U-062453

2022 SUMMARY - All Areas Mined	104,808	104,808	264,933
2023 SUMMARY - All Areas Mined	272,486	272,486	688,787
2024 SUMMARY - All Areas Mined	289,185	289,185	730,999
2025 SUMMARY - All Areas Mined	288,524	288,524	729,327
2026 SUMMARY - All Areas Mined	222,832	222,832	563,271
2027 SUMMARY - All Areas Mined	60,372	60,372	152,607
Total SUMMARY - All Years Mined	1,238,207	1,238,207	3,129,924

PROPERTY: U-28297

2025 SUMMARY - All Areas Mined	25,675	25,675	64,901
2026 SUMMARY - All Areas Mined	9,093	9,093	22,985
Total SUMMARY - All Years Mined	34,768	34,768	87,887

PROPERTY: UTU-76195

2030 SUMMARY - All Areas Mined	144,175	140,778	366,720
2031 SUMMARY - All Areas Mined	276,202	276,202	703,345
2032 SUMMARY - All Areas Mined	277,792	277,770	703,543
2033 SUMMARY - All Areas Mined	275,471	275,377	698,717
2034 SUMMARY - All Areas Mined	278,948	275,635	713,382
2035 SUMMARY - All Areas Mined	191,347	181,601	494,061
Total SUMMARY - All Years Mined	1,443,935	1,427,363	3,679,768

PROPERTY: U-63214-LowerHiawatha

2015 SUMMARY - All Areas Mined	176,107	172,527	483,614
2016 SUMMARY - All Areas Mined	143,410	141,691	378,180
2017 SUMMARY - All Areas Mined	107,386	99,911	276,752
2018 SUMMARY - All Areas Mined	162,063	162,063	415,799
2019 SUMMARY - All Areas Mined	76,142	76,142	194,736
2021 SUMMARY - All Areas Mined	227,768	219,264	574,846
2022 SUMMARY - All Areas Mined	939,385	939,385	2,192,414
Total SUMMARY - All Years Mined	1,832,261	1,810,982	4,516,340